

Decision 01-10-024 October 10, 2001

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company
for Authority to (I) Establish Its Authorized Rates
of Return on Common Equity and for Electric
Distribution and Gas Distribution, and (ii)
Establish Its Unbundled Rates of Return for Year
2000 for Electric Distribution and Gas
Distribution. (U 39 M)

Application 99-11-003
(Filed November 1, 1999)

OPINION ON REQUEST FOR INTERVENOR COMPENSATION

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I. Summary of Request and Award

Aglet Consumer Alliance (Aglet) is awarded \$16,980¹ and Knecht and Czahar are jointly awarded \$45,275 in compensation for their substantial contributions to Decision (D.) 00-06-040 dated June 8, 2000.

II. Background

D.00-06-040 authorized Pacific Gas and Electric (PG&E) to increase its authorized return on common equity (ROE) for its test year 2000 electric distribution and gas distribution operations from 10.60% to 11.22% based on a settlement agreement among the active parties in the proceeding: PG&E, the Federal Executive Agencies, Aglet, Knecht and Czahar, and the Office of Ratepayer Advocates (ORA). The scope of this proceeding included ROE, the effects of interest rate changes, risk factors facing PG&E investors, and analytical methods for estimating costs of capital.

III. Requirements for Awards of Compensation

An intervenor who seeks compensation for his or her contributions in Commission proceedings must file a request for compensation pursuant to Sections 1801-1812 of the Public Utilities Code.² Section 1804(a) requires an intervenor to file a notice of intent (NOI) to claim compensation within 30 days after the prehearing conference (PHC) or by a date established by the Commission. The NOI must present information regarding the nature and

¹ All amounts are rounded up to the nearest dollar.

² All statutory references are to the Public Utilities Code unless otherwise stated.

extent of the customer's³ planned participation and an itemized estimate of the compensation the customer expects to request. The NOI may request a finding of eligibility.

Other code sections address requests for compensation filed after a Commission decision is issued. Section 1804(c) requires an eligible customer to file a request for an award within 60 days of issuance of a final order or decision by the Commission in the proceeding.

Under § 1804(c), an intervenor requesting compensation must provide “a detailed description of services and expenditures and a description of the customer’s substantial contribution to the hearing or proceeding.” Section 1802(h) states that “substantial contribution” means that,

“in the judgment of the Commission, the customer’s presentation has substantially assisted the Commission in the making of its order or decision because the order or decision has adopted in whole or in part one or more factual contentions, legal contentions, or specific policy or procedural recommendations presented by the customer. Where the customer’s participation has resulted in a substantial contribution, even if the decision adopts that customer’s contention or recommendations only in part, the commission may award the customer compensation for all reasonable advocate’s fees, reasonable expert fees, and other reasonable costs incurred by the customer in preparing or presenting that contention or recommendation.”

³ To be eligible for compensation, an intervenor must be a customer as defined by § 1802(b). In D.98-04-059 (footnote 14) we affirmed our previously articulated interpretation that compensation be proffered only to customers whose participation arises directly from their interest as customers. (See D.88-12-034, D.92.04-051, and D.96-09-040.)

Section 1804(e) requires the Commission to issue a decision that determines whether the customer has made a substantial contribution and what amount of compensation to award. The level of compensation must take into account the market rate paid to people with comparable training and experience who offer similar services, consistent with § 1806.

IV. NOI to Claim Compensation

Aglet filed its NOI on January 19, 2000 and Knecht and Czahar jointly filed their NOI on February 10, 2000. The NOIs of Aglet and of Knecht and Czahar were timely filed because they were filed within 30 days after the January 11, 2000 PHC.

A. Aglet

On February 7, 2000, the assigned Administrative Law Judge (ALJ) issued a ruling in response to Aglet's NOI to claim compensation. The ALJ ruled that Aglet is eligible to claim compensation and that a presumption of significant financial hardship did exist for Aglet in this proceeding.

B. Knecht and Czahar

On March 6, 2000, the assigned ALJ issued a ruling in response to the NOI compensation request of Knecht and Czahar. The ALJ ruled that Knecht and Czahar are eligible to claim compensation and that a presumption of significant financial hardship did exist for Knecht and Czahar in this proceeding.

V. Substantial Contribution

A party may make a substantial contribution to a decision in one of several ways.⁴ It may offer a factual or legal contention upon which the Commission relied in making a decision,⁵ or it may advance a specific policy or procedural

⁴ Section 1802(h).

⁵ Id.

recommendation that the ALJ or Commission adopted.⁶ A substantial contribution includes evidence or argument that supports part of the decision even if the Commission does not adopt a party's position in total.⁷

A. Aglet

Aglet argues that the Commission adopted Aglet's specific recommendation (along with other settling parties) for approval of the proposed settlement agreement. Aglet believes that it substantially contributed to the major issues within the scope of the proceeding. Aglet advocated a 10.80% test year ROE for PG&E based on Aglet's showing of interest rate changes. Aglet's testimony and cross-examination of PG&E's policy witness emphasized reduced investment risk factors and the cessation of financial market turmoil that existed in 1998.

Although the Commission adopted an 11.22% ROE for PG&E instead of Aglet's specific ROE recommendation, that adoption was based on a negotiated compromise of several issues resulting in a settlement agreement, in which Aglet actively participated. Aglet did not identify its specific contribution to the settlement agreement because Rule 51.9 prohibits the disclosure of settlement discussions outside the negotiations without consent of all parties participating in the negotiations.

⁶ Id.

⁷ The Commission has provided compensation even when the position advanced by the intervenor is rejected. In D.89-03-063, the Commission awarded San Luis Obispo Mothers For Peace and Rochelle Becker compensation in Diablo Canyon Rate Case because their arguments, while ultimately unsuccessful, forced the utility to thoroughly document the safety issues involved.

The final order did not adopt any of Aglet's specific factual contentions, legal contentions, or specific policy or procedural recommendations. However, Aglet did make a substantial contribution as an active party representing the interests of small residential and commercial customers in the settled outcome approved in the final decision. Aglet also provided testimony that demonstrated the reasonableness of the settlement.

B. Knecht and Czahar

Knecht and Czahar also argue that the Commission adopted their specific recommendation for approval of the proposed settlement agreement. They believe that they provided a substantial contribution to the settlement itself and that they provided the Commission with information that demonstrated the reasonableness of the settlement.

Using a financial model to analyze risk factors, Knecht and Czahar advocated through their direct testimony a 10.50% test year ROE for PG&E. Their rebuttal testimony further explained each of their positions taken in direct testimony. Knecht and Czahar also actively participated in the negotiations and development of the supporting testimony that led to approval of the settlement. Knecht and Czahar conclude that their testimony recommending a 10.50% ROE "almost certainly had the effect of lowering the settlement ROE from where it would have been without their evidence and advocacy."

Knecht and Czahar support their claim of significant contribution to the proceeding in part by citing their cross-examination of a PG&E witness that "raised the particular issue of market risk premia and their relationship to 'betas' on which we [Knecht and Czahar] prevailed in the workshop provisions of the settlement." This allegation regarding the give-and-take that went on in the settlement process seemingly violates Rule 51.8, which prohibits disclosure of

settlement discussions unless all participants consent to the disclosure. Consequently, we give no weight, in determining whether they made a significant contribution in this proceeding, to their asserted success on a particular issue in the negotiations.

Although the final order did not adopt any of Knecht and Czahar’s specific factual contentions, legal contentions, or policy or procedural recommendations, Knecht and Czahar did make a substantial contribution as active parties representing the interests of small customers in the settled outcome approved in the final decision.

VI. The Reasonableness of Requested Compensation

Aglet seeks \$16,980 in compensation for its participation in this proceeding, which is approximately \$39,000 less than its \$56,200 NOI estimate. Knecht and Czahar seek \$79,621 for their participation, which is approximately \$24,000 more than their \$55,800 NOI estimate. The following tabulation summarizes the compensation requests of Aglet and of Knecht and Czahar.

	<u>Aglet</u>	<u>Knecht & Czahar</u>
Individual Fees	\$16,593	\$78,939
Associated Costs	<u>387</u>	<u>682</u>
Total Request	\$16,980	\$79,621

A. Overall Benefits of Participation

In D.98-04-059, the Commission adopted a requirement that a customer must demonstrate that his or her participation was “productive,” as that term is used in § 1801.3, where the Legislature gave the Commission guidance on program administration. In that decision we discuss the requirement that participation must be productive in the sense that the costs of participation

should bear a reasonable relationship to the benefits realized through such participation. Customers must demonstrate productivity by assigning a reasonable dollar value to the benefits of their participation to ratepayers. This exercise assists us in determining the reasonableness of the request and in avoiding unproductive participation.

1. Aglet

Aglet submits that its participation in this proceeding and settlement agreement was productive because the settlement agreement represents a reasonable compromise among PG&E and various customers' interests, promotes administrative efficiencies, and avoids lengthy and costly litigation.

Although Aglet concluded that it contributed to the benefits gained by the settlement, the quantification of benefits and numerical allocation to itself is impossible. Aglet contends that the overall benefits of the settlement agreement outweigh its cost of participation.

At stake for PG&E was whether the Commission would find its requested 12.50% ROE to be just and reasonable for its 2000 test year electric distribution and gas distribution services. At stake for PG&E's customers was ensuring that only reasonable rates for electric distribution and gas distribution services resulted from the adoption of a 2000 test year ROE. Because Rules 51.9 and 51.8 prohibit Aglet from disclosing specifics of its participation in the settlement agreement, Aglet did not address the overall benefits to ratepayers of its participation relative to the compensation it requests.

Here, PG&E requested a 12.50% ROE and settled for 11.22%. PG&E's adopted ROE resulted in substantially lower gas and electric rates than if its requested ROE was adopted. Specifically, ratepayers are expected to save \$23 million in gas rates and \$86 million in electric rates. While we cannot distinguish

each intervenor's role in achieving this reduction, we can determine objectively that each intervenor made colorable arguments to adopt a lower ROE than that requested by PG&E. Participation that costs ratepayers less than \$100,000 in total to save ratepayers a total of \$109 million in electric and gas service is productive within the meaning of the statute and Commission decisions. Hence, to the extent identified below, we find that the benefits realized by Aglet's productive participation outweigh the costs it claims for that participation.

a) Hours and Rate Claimed

Aglet maintained a detailed summary of time spent by its Director, James Weil, with hours broken down by date, major activity, and description of work. A copy of this summary was attached to its compensation request. Aglet is seeking compensation for time spent by Weil during 1999 and 2000. To facilitate a detailed review of its fee request, Aglet provided an estimated amount of time spent by Weil on the major issues. These major issues consisted of categories such as credit quality, interest rates, distribution risk, other risk factors, and ROE recommendation.

Aglet seeks compensation for work performed by Weil in 1999 at a \$200 hourly rate and in 2000 at a \$220 hourly rate. A \$110 hourly rate, half the 2000 requested hourly rate, is being requested by Aglet for the time spent by Weil traveling between his offices and the Commission's offices and for the time he spent preparing Aglet's compensation request. The following tabulation summarizes the amount of compensation being requested for work performed by Weil.

<u>Year</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
1999	0.30	@ \$200	\$ 60

2000	67.00	@ \$220	\$14,740
2000	16.30	@ \$110	\$ <u>1,793</u>
Total			\$16,593

Section 1806 requires the computation of compensation to take into consideration the market rates paid to persons of comparable training and expertise who offer similar services. The compensation awarded may not, in any case, exceed the comparable market rate for services paid by the Commission or the public utility, whichever is greater, to persons of comparable training and experience who are offering similar services. The hourly rates being requested by Aglet for the work performed by Weil in 1999 and 2000 have previously been found by the Commission (in D.00-03-051 and D.00-07-015, respectively), to be comparable to market rates paid to persons of comparable training and expertise who offer similar services. We will use those hourly rates here.

Aglet reduced the time Weil spent in this proceeding by 6.5 hours for time that Weil spent on distribution risk, which was struck from the record, and for duplication of the efforts of other settling parties in the settlement negotiations. We concur with this reduction in Aglet's compensation request, which leaves a net of 67 hours in 2000 for which Aglet seeks compensation. These hours are reasonable, given the level of Aglet's participation.

Consistent with our direction in D.98-04-059 to use half the hourly rate for time spent traveling and in travel and in preparing a compensation request, Aglet reduced Weil's 2000 hourly rate by half, to \$110 an hour, for the 8.9 hours spent traveling to hearings and 7.4 hours in preparing its compensation request. These requested hours and hourly rates are reasonable and should be allowed.

b) Associated Costs

Aglet seeks \$387 in compensation for associated costs incurred as a result of its participation in this proceeding, as detailed in its compensation request. Most of the costs were out-of-pocket expenses for copies and postage. The remaining costs consist of travel expenses for bridge toll, parking and mileage reimbursement. These associated costs represent less than 2.5% of Aglet's total compensation request and are far below its \$1,600 estimate for such costs in the NOI. Aglet has adequately substantiated these associated costs and should be compensated in full.

2. Knecht & Czahar

Knecht and Czahar also submit that their participation in this proceeding and settlement agreement was productive because the settlement agreement represents a reasonable compromise among PG&E and various customers interests, promotes administrative efficiencies, and avoids lengthy and costly litigation.

Knecht and Czahar's participation in this proceeding provided us with a record on which to assess the reasonableness of the proposed settlement as it relates to just and reasonable rates for electric and gas services. As with Aglet, it is difficult to put a dollar figure on the benefits Knecht and Czahar realized for ratepayers. However, we feel that the benefits realized by their participation outweigh the costs they claim for that participation. Hence, to the extent identified below, the benefits realized by Knecht and Czahar's productive participation in this proceeding outweigh the costs they claim for that participation.

a) Hours and Rate Claimed

Knecht and Czahar maintained detailed records of their time spent on this proceeding with hours broken down by date and major description of their work. Knecht and Czahar also provided an estimated amount of time spent on the major issues, as set forth in their request for compensation. These major issues consisted of general work, risk factors, analytical methods, interest rates, rebuttal, ROE, and settlement work. General work included activities applicable to more than one issue such as initial review, discovery requests, and attendance at the PHC and hearing. Knecht and Czahar seek \$75,957 in compensation for their 361.7 hours of work in 2000 at a \$210 hourly rate.

Knecht and Czahar contend that their requested \$210 hourly rate is reasonable and is based on market rates when compared with the market-base rate for experts of similar experience and achievements. That hourly rate is the same hourly rate that Knecht and Czahar billed for their consultant work for the California Independent System Operator in 1998, and is the same rate they have billed other parties for consulting work. Knecht and Czahar also compared their qualifications and accomplishments (reflected in their resumes) to that of Aglet's Weil to substantiate that their requested \$210 hourly rate is the market rate being paid to persons of comparable training and experience.

The \$210 hourly rate being requested by Knecht and Czahar is \$35 an hour higher than the \$175 hourly rate they were most recently awarded in D.00-07-013 for work performed in 1998 and 1999. That \$175 hourly rate resulted from the difficulty that Knecht and Czahar have had in satisfying certain basic requirements for intervenor compensation, such as allocating hours to issues and

analyzing the benefits of participation, as well as their failure to disclose accurately the hourly rate they were previously awarded.⁸

Knecht and Czahar have demonstrated that their training and experience are comparable to that of Weil in this proceeding, but their performance record at the Commission falls short of what their training would suggest. For example, Knecht and Czahar provided no explanation for exceeding their \$55,800 NOI budget by 43%, or \$24,000. They also claimed credit for prevailing in the settlement agreement in an apparent violation of settlement rules, requested compensation for time spent on issues not identified in the Assigned Commissioner's Scoping memo, and requested compensation for nonproductive use of time to personally deliver documents. In short, the record of this proceeding shows that Knecht and Czahar, on occasion, ignored procedural rules and substantive directions concerning issues, and were quite inefficient. We will address the inefficiency later in our analysis of nonproductive hours. However, we note that Knecht's and Czahar's failure to follow regulations and rulings is part of their historic experience at the Commission, as discussed above, and is the basis for our prior decisions, where we set their hourly rate at a lower level than that awarded certain inventors, including Aglet. Given the persistence of these problems in this proceeding, the \$210 hourly rate being requested by Knecht and Czahar is excessive and should be reduced by \$20 an hour to \$190. The latter rate constitutes a \$15/hour increase over the rate awarded Knecht and Czahar for work in 1999.

⁸ See *San Diego Gas and Electric Company*, D.00-07-013, mimeo. pages 12-14.

Consistent with § 1806, we find that a \$190 hourly rate reasonably reflects the market rate for individuals with comparable training and expertise offering similar services. Having established a market rate for Knecht and Czahar, we next consider the reasonableness of their requested 361.7 direct hours of work in this proceeding.

Knecht and Czahar represent that all but one hour of their direct 361.7 hours spent in this proceeding was productive. Knecht and Czahar believe that one hour of that time should be classified as nonproductive time because of duplication of their efforts with other parties pertaining to the settlement. Although Knecht and Czahar proposed this one-hour adjustment from their total direct hours, no such adjustment was made to their requested monetary compensation. Hence, a downward adjustment of at least one-hour to their compensation request is appropriate.

We next review the direct time spent by Knecht and Czahar on the issue of unbundling costs of capital across lines of business. This issue was specifically excluded at the PHC and excluded from the issues identified in the Assigned Commissioner's January 21, 2000 Scoping Memo and Ruling. Knecht and Czahar identified 24.6 direct hours that they spent on this issue, of which Czahar spent 23 hours⁹ and Knecht 1.6 hours.¹⁰ However, a closer look at their detailed time sheet attached to the compensation request shows that Knecht actually spent an additional 1.6 hours for a total of 3.2 direct hours on this issue.

⁹ March 15, 16, and 17, 2000 direct time spent on "FERC GTD Data", per Czahar's detailed time sheet attached to the compensation request.

¹⁰ March 11, 13, 15, and 17, 2000 direct time spent on "FERC" data and results, per Knecht's detailed time sheet attached to the compensation request.

Knecht and Czahar contend that the time they spent on this issue would have been necessary in their rebuttal testimony had the ALJ not struck parts of Aglet's testimony on distribution risks. Irrespective of the reason Knecht and Czahar spent time to rebut Aglet's distribution risks testimony, all parties were notified at the PHC that electric sub-structure risk would not be an issue in this proceeding. Further, that issue was not identified as an issue in the Assigned Commissioner's Scoping Memo. Hence, any time spent on this issue should be classified as a nonproductive use of time. The 26.2 direct hours of non-productive time spent by Knecht and Czahar to rebut Aglet's stricken testimony on distribution risk should be excluded from any compensation award.

The substantial difference between the hours being claimed by Weil and by Knecht and Czahar is attributed to Knecht and Czahar's undertaking of extensive financial models. Knecht and Czahar presented the

results of ten specific financial models, of which they concluded that three discounted cash flow (DCF) methods were generally sound. Knecht and Czahar determined that their remaining two DCF methods and all Capital Asset Pricing (CAPM) and other Risk Premium Analysis (RP) models were not reliable. Subsequently, by rebuttal testimony, Knecht and Czahar revised three of their financial models and discarded four.

We do not dispute that DCF, CAPM, and other RP analyses are typically used to substantiate a reasonable return on equity in cost of capital proceedings. However, Knecht and Czahar, with years of experience in the cost of capital proceedings, have not substantiated any benefit for their time spent (and claimed) revising much of their model analysis and disregarding much of it. We also observe that the overall difference between their direct and rebuttal testimony was immaterial and that their financial-model results are nearly identical to the financial-model results of ORA.

We conclude that the time spent by Knecht and Czahar on financial models was excessive and to some extent duplicative of the work performed by ORA. The detailed time report provided by Knecht and Czahar shows that Knecht spent approximately 45 hours¹¹ between January 28, 2000 and March 28, 2000 and Czahar spent approximately 173 hours between February 11, 2000 and March 30, 2000 related to financial models. Because of the lack of detailed reporting on time spent on each specific financial model we exercise informed judgement to allow Knecht and Czahar compensation for half of their 218 direct hours, or 109 hours, related to financial models.

¹¹ Time spent by Knecht on January 28th; February 3, 11, 16, and 25th; and, March 1-3, 21-23, and 28, 2000.

Knecht and Czahar should be compensated \$42,845, for 225.5 direct hours of their time spent in 2000 at an hourly rate of \$190. The following tabulation summarizes the adjustments made to the direct hours that Knecht and Czahar spent in this proceeding.

<u>Item</u>	<u>Hours</u>
Request	361.7
Less: Settlement Disallowance	1.0
Distribution Risk	26.2
Financial Modeling	<u>109.0</u>
Allowable Hours	225.5

Consistent with our direction in D.98-04-059 to reduce an intervenor hourly rate by half for the time spent traveling and preparing a compensation request, Knecht and Czahar reduced their 2000 requested hourly rate of \$210 by half, to \$105 an hour, for time spent on these activities. Consistent with our awarded hourly rate of \$190, the time that we allow for these activities should be compensated at half of \$190, or \$95 per hour. Knecht and Czahar are requesting \$3,192 in compensation for 30.4 hours, approximately 10 hours less than the 40 hours of budgeted travel and compensation time estimated in their NOI for the following activities.

<u>Activity</u>	<u>Hours</u>
Obtain Data	0.6
PG&E Meeting	2.0
Witness Check Point Meeting	3.5
Attend Hearings	6.0
Prepare Compensation Request	6.3
File & Serve Documents, Submit Testimony	<u>12.0</u>
Total Hours	30.4

Of the requested 30.4 hours of time incurred in traveling and preparing a compensation request, 12 hours¹² represent travel time to file and serve documents. It is not reasonable for ratepayers to have to pay \$105 per hour (over \$1,200 total) for Knecht and Czahar to get their documents delivered. There are more reasonable and productive options available to deliver data and testimony such as delivery service and electronic mail.

The 12 hours of nonproductive time spent in delivering documents and testimony should be excluded from any compensation award. However, in recognition that costs would be incurred in using the various delivery services available to Knecht and Czahar, we will allow them to recover their requested mileage costs included in their mileage category of associated costs. Knecht and Czahar should be compensated \$1,748 for 18.4 hours spent in traveling to obtain data and to attend meetings and hearings, and in preparing their compensation request at an hourly rate of \$95.

b) Associated Costs

Knecht and Czahar seek \$682 in compensation for other associated costs incurred as a result of their participation in this proceeding, as detailed in their compensation request. Most of the costs were out-of-pocket expenses for copies, postage, and travel expenses for bridge toll and mileage reimbursement. These other associated costs represent less than 1.00% of their

¹² Six trips at two hours each time to file and serve documents. The dates of these trips were January 6, 2000, February 10, 2000, March 2, 2000, March 20, 2000, March 30, 2000, and August 8, 2000.

total compensation request and are below their \$1,200 request for such costs in their initial compensation request.

Knecht and Czahar have adequately substantiated their other associated costs and should be compensated for the full \$682 of such costs.

B. Summary of Compensation Award

Aglet and Knecht and Czahar have substantially assisted the Commission in this proceeding. Consistent with § 1802(h), Aglet and Knecht and Czahar are entitled to compensation from PG&E as set forth in the following tabulation.

<u>Year</u>	<u>Activity</u>	<u>Aglet</u>	<u>Knecht & Czahar</u>
1999	Direct Time	\$ 60	\$ NA
2000	Direct Time	\$ 14,740	\$ 42,845
2000	Travel & Comp. Preparation Time	\$ 1,793	\$ 1,748
2000	Associated Costs	\$ <u>387</u>	\$ <u>682</u>
Total		\$ 16,980	\$ 45,275

Consistent with previous Commission decisions, we will order that interest be paid on the award amount, calculated at the three-month commercial paper rate, commencing the 75th day after the filing of the compensation requests of Aglet and of Knecht and Czahar and continuing until the utility makes its full payment of award.

As in all intervenor compensation decisions, we put Aglet and Knecht and Czahar on notice that the Commission staff may audit their records related to this award. Thus, Aglet and Knecht and Czahar must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. These records should identify specific issues for which

they requested compensation, the actual time spent by each person, the applicable hourly rate, fees paid, and any other costs for which compensation has been claimed.

Findings of Fact

1. Aglet filed a timely intervenor compensation request for its contribution to D.00-06-040.
2. Knecht and Czahar filed a timely intervenor compensation request for their contribution to D.00-06-040.
3. Aglet has satisfied the significant financial hardship requirement.
4. Knecht and Czahar have satisfied the significant financial hardship requirement.
5. Aglet has substantially contributed to D.00-06-040.
6. Knecht and Czahar have substantially contributed to D.00-06-040.
7. Aglet maintained a detailed summary of time spent by its director in this proceeding.
8. Knecht and Czahar have maintained a detailed summary of their time spent in this proceeding.
9. The respective hourly rates for work performed by Aglet's director are the same rates approved in a prior Commission proceeding for his work performed in 1999 and 2000.
10. The \$190 hourly rate being approved for Knecht and Czahar for their work in 2000 is no greater than the market rate for individuals with comparable training and experience.
11. Aglet's hours and rates regarding time spent in traveling to hearings and in preparing its compensation request are reasonable.

12. Knecht and Czahar's hours spent in traveling to obtain data and to attend meetings and hearings, and in preparing their compensation request are reasonable.

13. Knecht and Czahar have not demonstrated that the travel time they spent delivering documents and testimony was a productive use of their time.

14. The associated costs incurred by Aglet for photocopying, mailing, on-line legal research, travel costs related to bridge tolls, parking and vehicle mileage and fax are reasonable.

15. The associated costs incurred by Knecht and Czahar for copies, postage, and travel expenses for bridge toll and mileage reimbursement are reasonable.

Conclusions of Law

1. Aglet has fulfilled the eligibility requirements of Pub. Util. Code § 1801 *et seq.* which govern intervenor compensation.

2. Knecht and Czahar have fulfilled the eligibility requirements of Pub. Util. Code § 1801 *et seq.* which govern intervenor compensation.

3. An award of \$16,980 should be granted to Aglet for its substantial contribution to D.00-06-040.

4. An award of \$45,275 should be granted to Knecht and Czahar for their substantial contribution to D.00-06-040.

5. Per Rule 77.7(f)(6), the comment period for this compensation decision may be waived by the Commission.

6. This order should be effective today so that these intervenors may be compensated without unnecessary delay.

O R D E R

IT IS ORDERED that:

1. Aglet Consumer Alliance (Aglet) is awarded \$16,980 in compensation for its substantial contribution to Decision (D.) 00-06-040.
2. Pacific Gas and Electric Company (PG&E) shall pay Aglet \$16,980 within 30 days of the effective date of this order. PG&E shall also pay interest on the award at the rate earned on prime, three-month commercial paper, as reported in the Federal Reserve Statistical Release G.13, commencing October 18, 2000 and continuing until full payment is made.
3. Knecht and Czahar are jointly awarded \$45,275 in compensation for their substantial contribution to D.00-06-040.
4. PG&E shall pay Knecht and Czahar jointly \$45,275 within 30 days of the effective date of this order. PG&E shall also pay interest on the award at the rate earned on prime, three-month commercial paper rate, as reported in the Federal Reserve Statistical Release G.13, commencing on October 18, 2000 and continuing until full payment is made.
5. The comment period for today's decision is waived.
6. Application 99-11-003 is closed.

This order is effective today.

Dated October 10, 2001, at San Francisco, California.

LORETTA M. LYNCH
President
HENRY M. DUQUE
RICHARD A. BILAS
CARL W. WOOD
GEOFFREY F. BROWN

Commissioners